

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2293

Introduced by Assembly Member Torres

February 18, 2010

~~An act to amend Section 50675.1 of the Health and Safety Code, An act relating to housing.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2293, as amended, Torres. ~~Multifamily Housing Program: bond proceeds: Housing:~~ construction loans.

Existing law establishes the Multifamily Housing Program, the Joe Serna, Jr. Farmworker Housing Grant Program, and the Transit-Oriented Development Implementation Program, administered by the Department of Housing and Community Development, which provide assistance for multifamily housing, farmworker housing, and development of high density uses within close proximity to transit stations, respectively.

This bill would authorize the department, until June 30, 2013, and for purposes of loan awards made pursuant to these programs, to contract with a construction lender to make permanent loan funds available and to reserve or set aside funds for a project as of the date of closing of the construction loan, as specified. The bill would authorize the department to charge a fee sufficient to cover the cost of performing duties associated with implementing these provisions.

~~Existing law establishes the Emergency Shelter Trust Fund Act of 2006 which authorizes the issuance of bonds in the amount of \$2,850,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are used to finance, among other~~

programs, the Multifamily Housing Program, which is administered by the Department of Housing and Community Development. Existing law requires that assistance provided to a project pursuant to the program be provided in the form of a deferred payment loan to pay for the specified eligible costs of development.

~~This bill would require that assistance provided to a project pursuant to the bond act include, but not be limited to, short-term loans used for construction.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) This section shall apply to loan awards made
2 pursuant to all of the following programs:
3 (1) The Multifamily Housing Program authorized by Chapter
4 6.7 (commencing with Section 50675) of Part 2 of Division 31 of
5 the Health and Safety Code.
6 (2) The Joe Serna, Jr. Farmworker Housing Grant Program
7 authorized by Section 50517.5 of the Health and Safety Code,
8 including, but not limited to, subdivision (c) of Section 50517.10
9 of the Health and Safety Code.
10 (3) The Transit-Oriented Development Implementation Program
11 authorized by Part 13 (commencing with Section 53560) of
12 Division 31 of the Health and Safety Code.
13 (b) If the Department of Housing and Community Development
14 has determined that it has sufficient funds to meet commitments
15 to projects that have relied on a department subordination
16 agreement-estoppel certificate to start construction, the department
17 may, until June 30, 2013, do both of the following with funds
18 available to the programs specified in subdivision (a):
19 (1) Contract with a construction lender to make permanent loan
20 funds available for a project during the construction period, in
21 which case the department shall, in conjunction with the
22 construction lender, engage a construction inspector or utilize the
23 reports of the construction inspector engaged by the lender.
24 (2) Reserve or set aside funds for a project as of the date of
25 closing of the construction loan. The department shall establish a
26 procedure for determining which projects qualify to have funds
27 escrowed. The procedure shall consider the amount of time needed

1 *to close the funding, the existence of local approvals for the project,*
2 *and commitments from other funding sources.*

3 *(c) (1) The department may not exercise its authority pursuant*
4 *to this section for any project that received an award after*
5 *December 18, 2008, until the department has received or obtained*
6 *access to bond funds sufficient to fund all projects within the same*
7 *class of tax-exempt or taxable bond projects that received an award*
8 *prior to December 18, 2008.*

9 *(2) If the department exercises its authority pursuant to this*
10 *section, it shall provide the loans and funds specified in paragraphs*
11 *(1) and (2) of subdivision (b) to program awardees in the order*
12 *in which they received their awards.*

13 *(3) The department may charge a fee sufficient to cover the cost*
14 *of performing the duties associated with the implementation of*
15 *this section.*

16 ~~SECTION 1. Section 50675.1 of the Health and Safety Code~~
17 ~~is amended to read:~~

18 ~~50675.1. (a) This chapter shall be known and may be cited as~~
19 ~~the Multifamily Housing Program.~~

20 ~~(b) Assistance provided to a project pursuant to this chapter~~
21 ~~shall be provided in the form of a deferred payment loan to pay~~
22 ~~for the eligible costs of development as hereafter described.~~

23 ~~(c) Except as provided in paragraph (3), on and after January~~
24 ~~1, 2008, of the total assistance provided under this chapter, the~~
25 ~~percentage that is awarded for units restricted to senior citizens,~~
26 ~~as defined in paragraph (1) of subdivision (b) of Section 51.3 of~~
27 ~~the Civil Code, shall be proportional to the percentage of lower~~
28 ~~income renter households in the state that are lower income elderly~~
29 ~~renter households, as reported by the federal Department of~~
30 ~~Housing and Urban Development on the basis of the most recent~~
31 ~~decennial census conducted by the United States Census Bureau.~~

32 ~~(1) The department shall be deemed to have met its obligation~~
33 ~~under this subdivision if the assistance awarded is not less than 1~~
34 ~~percent below the proportional share.~~

35 ~~(2) This subdivision does not require the department to provide~~
36 ~~loans to projects that fail to meet minimum threshold requirements~~
37 ~~under subdivision (b) of Section 50675.7.~~

38 ~~(3) Assistance for projects meeting the definitions in paragraphs~~
39 ~~(2) and (3) of subdivision (c) of Section 11139.3 of the Government~~
40 ~~Code and subdivisions (c) and (d) of Section 53260 shall be~~

1 ~~excluded from the total assistance calculation under this~~
2 ~~subdivision.~~

3 ~~(4) The department shall determine the time period over which~~
4 ~~it will measure compliance with this section, but that period shall~~
5 ~~not be less than one year or two funding cycles, whichever period~~
6 ~~is longer.~~

7 ~~(5) If, at the end of the time period determined by the~~
8 ~~department, the total amount of funding for which sponsors have~~
9 ~~submitted qualified applications is lower than the proportional~~
10 ~~share, the department may award the remaining funds to units that~~
11 ~~are not restricted to senior citizens.~~

12 ~~(6) The department's annual report to the Legislature submitted~~
13 ~~under Section 50408 shall include a breakdown of funding awards~~
14 ~~between units restricted to senior citizens and units that are not~~
15 ~~age-restricted.~~

16 ~~(d) This chapter shall be administered by the department and~~
17 ~~the department shall establish the terms upon which loans may be~~
18 ~~made consistent with the provisions of this chapter.~~

19 ~~(e) In addition to the other forms of assistance hereafter~~
20 ~~described, assistance provided to a project pursuant to Section~~
21 ~~53545 shall include, but not be limited to, short-term loans used~~
22 ~~for construction.~~